



**Hawaiian
Electric**

Community-Based Renewable Energy (CBRE) Phase 2 Program

Docket No. 2015-0389

PUC Technical Conference

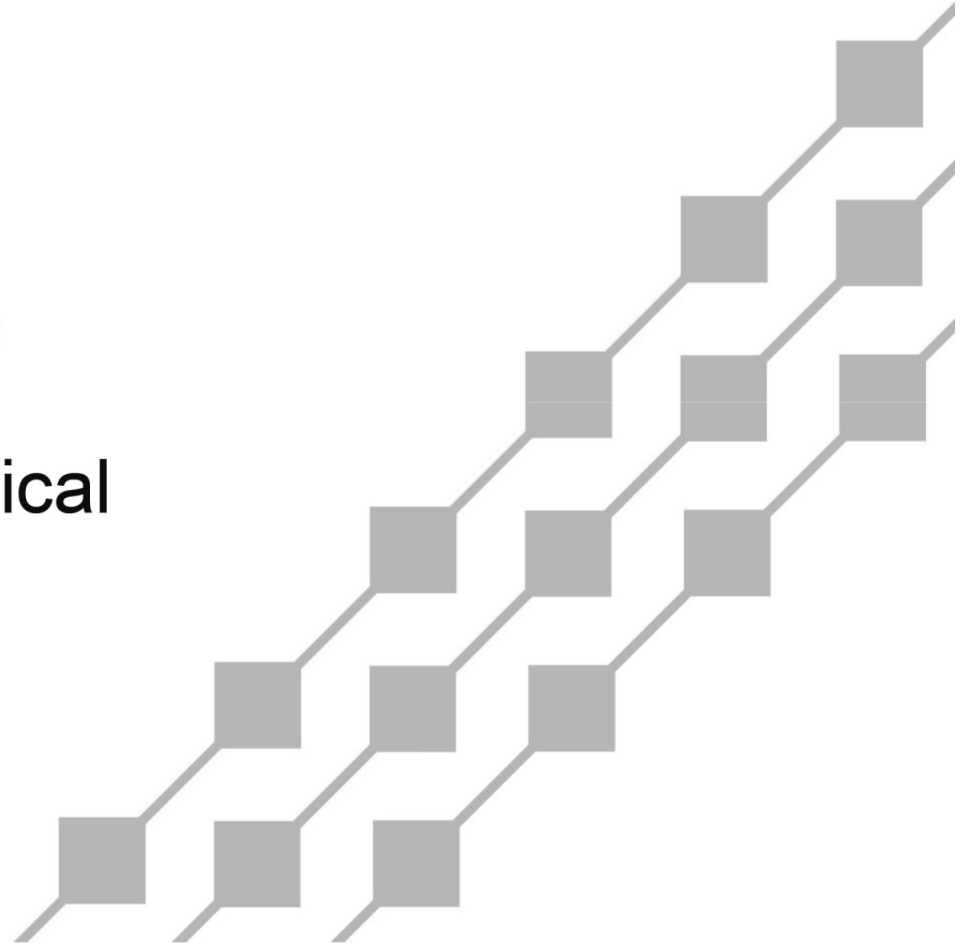
July 29, 2020



**Hawaiian
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Small Project Tariff

CBRE Program – Technical
Conference for Phase 2

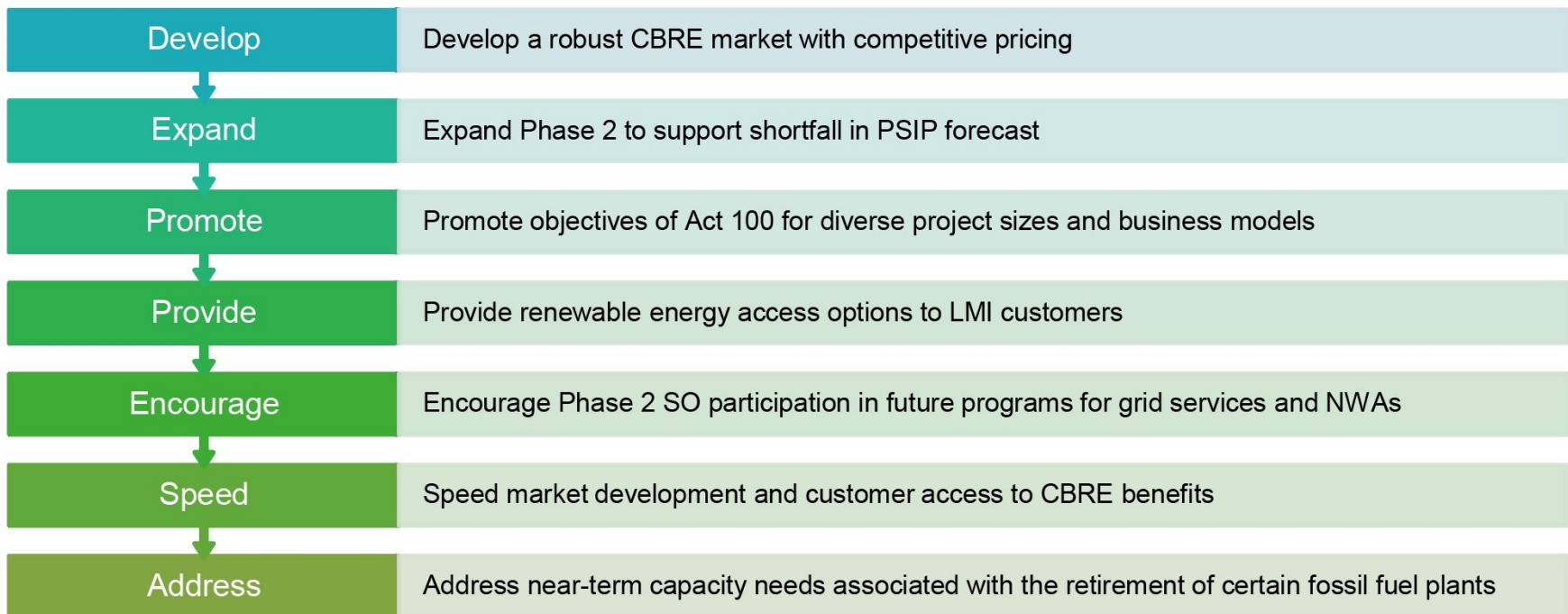


Agenda

- ◆ Strategic Goals and Guiding Principles
- ◆ Proposed Tariff Rule 29
- ◆ Subscriber Perspective
- ◆ Subscriber Organization Perspective
- ◆ Other Policy Objectives



CBRE Strategic Outcomes



Guiding Principles



Transparency, predictability and streamlining lowers costs to customers and fosters trust in the process



Community engagement is critical to achieving near-term and long-term project success



Coordination and collaboration of all parties is necessary to achieve successful and timely procurement



The cost-shift to non-CBRE customers should be minimized



There is no perfect answer, tradeoffs must be considered



Proposed Tariff Rule 29

- ◆ Part I: Small Projects
- ◆ Part II: Mid-Tier and Large Projects
- ◆ Part III: LMI



EXHIBIT 2
PAGE 1 OF 123
Sheet No. 49.19-A
Effective XX, 2020

Rule No. 29
COMMUNITY-BASED RENEWABLE ENERGY PROGRAM
PHASE 2

PART I: For Projects Sized Less Than 250kW AC

A. AVAILABILITY

Phase 2 ("Phase 2") of the Company's Community-Based Renewable Energy ("CBRE") program ("Program") for CBRE Small Projects (as defined below) is available to residential and commercial customers of the Company¹ ("Customers") as follows:

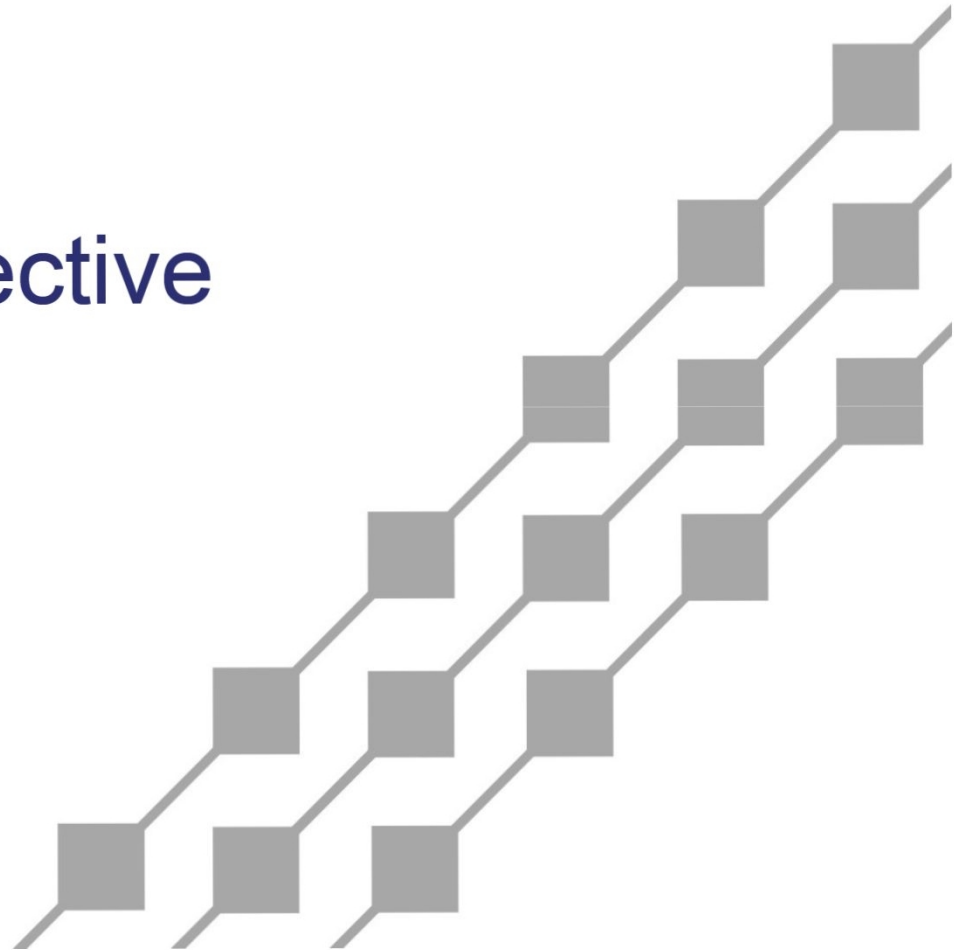
1. Capacity: Thirty (30) megawatts (MW) of available capacity ("CBRE Small Projects Phase 2 Capacity") shall be apportioned across the islands of Hawai'i, Maui and O'ahu as follows:
 - a. Tranche 1:
 - Hawai'i: 2.5 MW
 - Maui: 2.5 MW + 0.975 MW transferred from CBRE Phase 1
 - O'ahu: 15 MW
 - b. Tranche 2:
 - Hawai'i: 2.5 MW
 - Maui: 2.5 MW
 - O'ahu: 5 MW
2. Eligibility shall be limited to photovoltaic or wind generation project sizes greater than 4 kW AC and less than 250 kW AC with battery storage strongly recommended. If battery storage is included in the project, the storage capacity and duration of the output shall be at the discretion of the Subscriber Organization but subject always to the limitations, terms and obligations of applicable tariff rules. A CBRE project proceeding under this Tariff Rule No. 29 for Phase 2 shall be referred to as a "CBRE Small Project."
3. Interconnection of CBRE Small Projects including projects with energy storage shall be subject to the requirements of Rule No. 14H.

¹ The "Company" refers to Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., or Hawaii Electric Light Company, Inc., in their role as "Administrator" of the CBRE Program for the island in which such Company provides electric service to its Customers.

HAWAIIAN ELECTRIC COMPANY, INC.

Order No. 37070 filed April 9, 2020, Docket 2015-0389
Transmittal Letter dated July 9, 2020.

Subscriber Perspective



Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

Removal of “No Disconnection Notices” Requirement

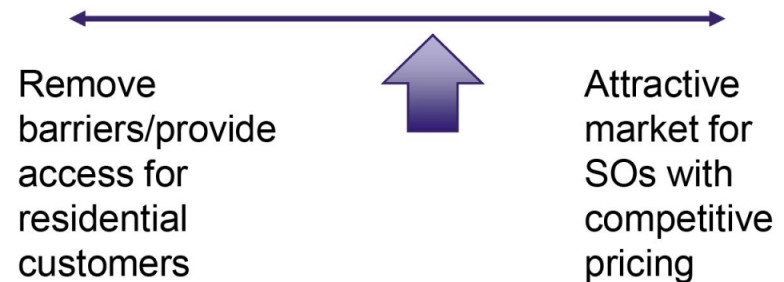
- Two-years for non-LMI
- Completely for LMI



Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

Reserve 40% of
facility capacity
for residential
customers

Minimum of four
subscribers



Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

- ◆ Small Projects limited to proven technology
 - Photovoltaic and/or Storage
 - Wind Generation



Speed market
development



Open to more
renewable
technologies

Subscribers: Remove Barriers and Provide Access to Renewable Energy Resources

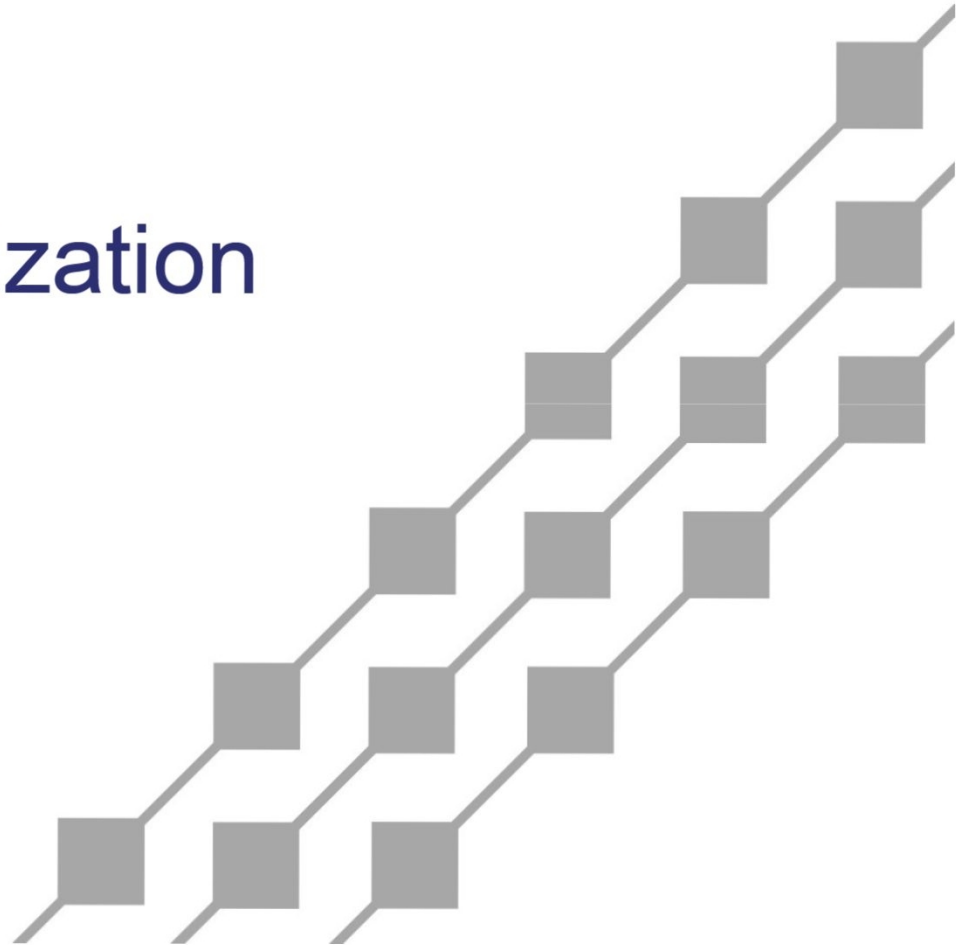
Lowering
Barriers for
Customers

Potential for On-Bill
Repayment

Financing Options



Subscriber Organization Perspective



Subscriber Organizations: Reduce Costs

Interconnection Process

- Expedited Review¹ for Small Projects
 - IRS complete in 90 days (down from 150 calendar days)
 - No IRS if the Facility is served by a dedicated service transformer and on a circuit with available hosting capacity
 - Standardized Single Line Diagram (Interconnection Requirements)



¹CBRE projects on 4kV and 2.4 kV circuits, Molokai, Lanai are not eligible for expedited review.

Subscriber Organizations: Reduce Costs and Provide Economic Options

Non-Wires Alternatives and Grid Services

- Companies will make NWA opportunities publicly available (i.e., Company website or LVM)

Reduced application fees from \$1,000 to \$250



Subscriber Organizations:

Simplify Subscriber Management

Removed partial transfers for Pay-Up-Front models

Pay-As-You-Go is non-transferrable

CBRE Portal now available to all Subscriber Organizations



Subscriber Organizations: Provide Flexibility

Escrow Account Options, approved by
Independent Observer

Enable Pay-As-You-Go and Pay-Up-
Front models in the CBRE Portal

Allows for many business models



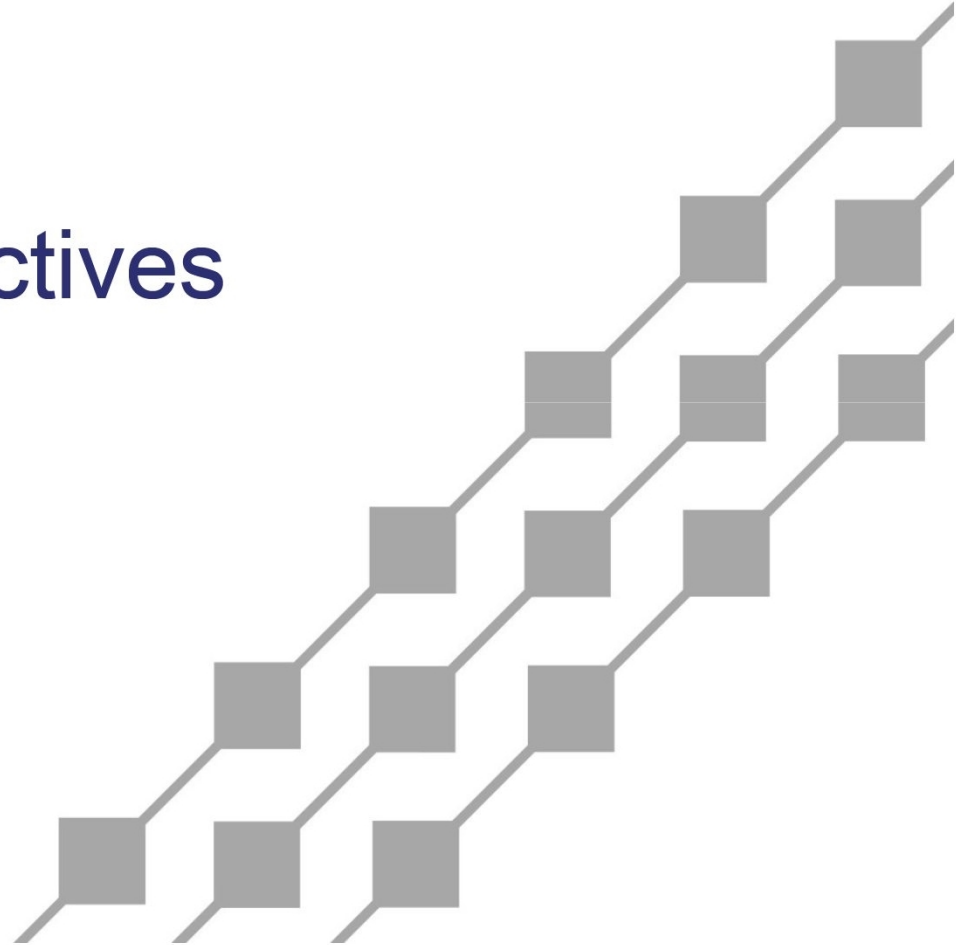
Subscriber Organizations: Streamlining Administrative Processes

Faster Review Time:

- Combine initial application submission requirements and Rule 14H Completeness Review for Small Projects



Other Policy Objectives



Policy:

Project Viability, Speed to Market and Customer Access

Site Control with Application

- Documentation confirming legally enforceable rights to use and control the site
- Applicable Zoning
- Demonstrate binding commitment with the landowner
- Exceptions for government and public lands



Policy:

Project Viability, Speed to Market and Customer Access

Demonstrate Project Viability with Application

- Site Plan with interconnection point
- Construction Plan
- Commissioning Timeline
- Details of Major Equipment

Project Development Updates



Policy:

Project Viability, Speed to Market and Customer Access

- ◆ \$75/kW deposit for small projects, refundable upon commercial operations
- ◆ Can be reduced or waived by the Independent Observer



Policy:

Project Viability, Speed to Market and Customer Access

Small Project Community Outreach Plan

- Community Outreach for small projects, between 100 kW and 250 kW
- Roadmap to guide SO as it works with communities and stakeholders
- Raise awareness and collect input for project
- Demonstrate transparency and willingness to engage in early community communication



Policy:

Competitive Credit Rate Procurement (CCRP)



Post-Award queue taken from backup applications



Capacity awardees must accept within 10 business days of notification



Ties in ranking are broken by the application completeness timestamp



SO submits lowest Discounted Credit Rate Bid in increments of 0.1 cents/kWh at application

Policy:

Phase 2 Encourages Energy Storage

No compensable curtailment, favorable curtailment treatment for small projects

- Seniority-based curtailment order
- Paid only for energy delivered to the grid

Encourages participation in incentivized grid services





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Small Projects Q&A

Stakeholders





Mahalo for your time.

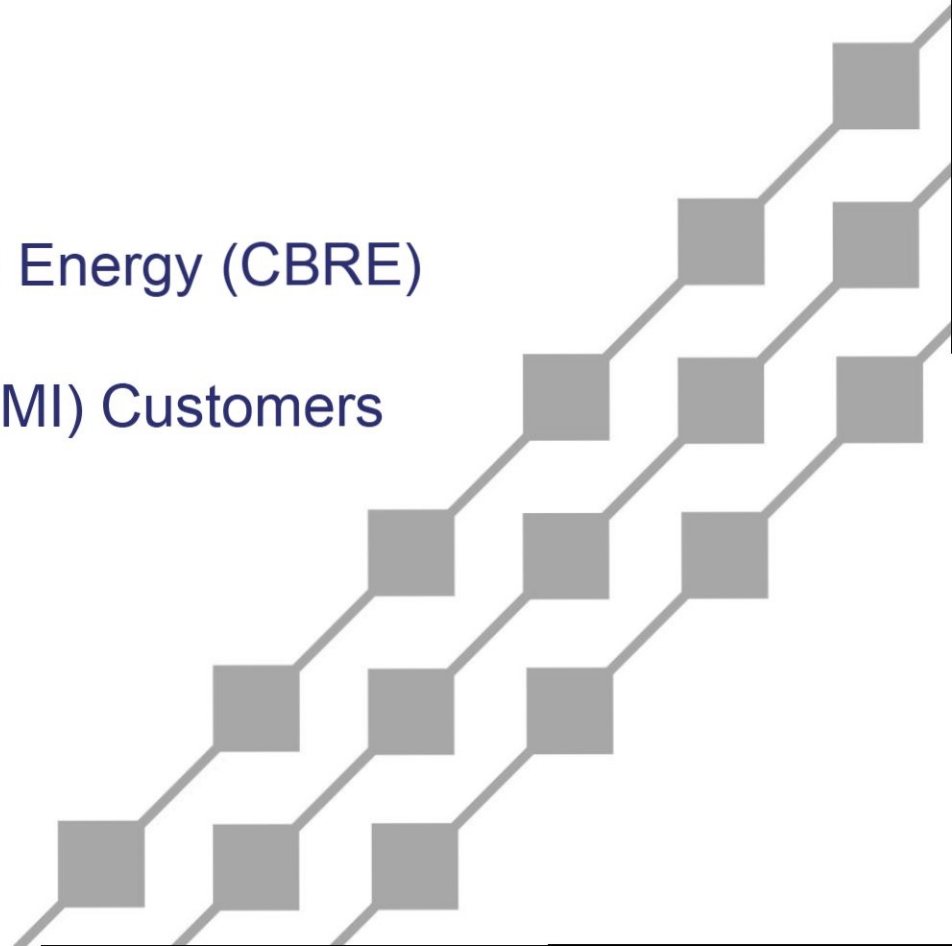
Any questions?



**Hawaiian
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Community Based Renewable Energy (CBRE) Request for Proposals for Low- and Moderate-Income (LMI) Customers

Docket No. 2015-0389
Technical Status Conference
July 29, 2020



Agenda

- ◆ CBRE RFPs
- ◆ Order No. 37070 LMI RFP Guidance
- ◆ LMI RFPs
- ◆ Contracts
- ◆ Procurement Timeline
- ◆ Questions



CBRE RFPs

- ◆ Changes made from successful Stage 1 and Stage 2 RFPs
- ◆ Majority of the Phase 2 CBRE procurement through competitive bidding
 - Offerings across all five islands
 - LMI-specific RFPs on O'ahu, Maui, and Hawai'i Island



Order No. 37070 LMI RFP Guidance

- ◆ Target a minimum of 1 project per island, but PUC has discretion to approve more
- ◆ Use RDG PPA model
- ◆ LMI projects allowed to participate in future grid services programs, serve as NWA, and offer resilience benefits
- ◆ Companies may propose a utility solution if there are no successful competitive LMI RFP bids



Order No. 37070 LMI RFP Guidance

- ◆ LMI Definition: U.S. Department of Housing and Urban Development (“HUD”) definition for income and household size eligibility
 - Readily accessible and widely used definition
 - The annual income limits, per county, are available on HUD’s website for public viewing
- ◆ 100% of the Project’s capacity shall be reserved for LMI subscribers



LMI Verification

- ◆ LMI eligibility verification checks to prevent gaming
- ◆ Pricing adjustment if LMI participation not met
- ◆ LMI Subscriber cannot be later disqualified if household size or income change



LMI RFP Specifications:

What is the same for all islands?

O'ahu / Maui / Hawai'i	
Project Size	Uncapped up to Target
Technology	PV, Wind, Storage
Energy Storage	Optional
Guaranteed Commercial Operation Date	No date specified
Available Sites	Land RFI or Developer's option
Proposal Variations	2



LMI RFP Specifications:

What is different across the islands?

	O'ahu	Maui	Hawai'i
Proposal Fees	\$1,000-\$5,000 depending on size	\$1,000	\$1,000
Project Size	Uncapped up to target	Uncapped, but limited by interconnection	Uncapped, but limited by interconnection
Interconnection	46kV and below (Uncapped size)	12kV and below (3MW or below)	12kV and below (3MW or below)



Available Sites

- ◆ Land RFI Issued June 15, 2020
 - Improve the likelihood for successful site discovery
 - Provide opportunities to build resilience through geographic diversification
 - Aid the economic recovery and the transition to clean energy
 - Expand scope to large rooftops and parking lots which are appropriate for CBRE
- ◆ Companies will share Land RFI info with developers who execute confidentiality agreements



Interconnection

- ◆ Proposed creative approach to Company-Owned Interconnection Costs for LMI RFP Projects
 - Companies take responsibility of costs and completion of Company-Owned interconnection work
 - Benefits
 - Removes developer uncertainty and risk of developer dropping out due to cost increases
 - Avoid delays due to negotiation on scope
 - Better Company control of interconnection design



Summary of Changes to Evaluation Process



NON-PRICE & PRICE WEIGHT

CBRE
RFPs

49/51 Split

Stage 2
RFPs

40/60 Split



CBRE PROGRAM

LMI Focus,
Outreach,
Retention

N/A



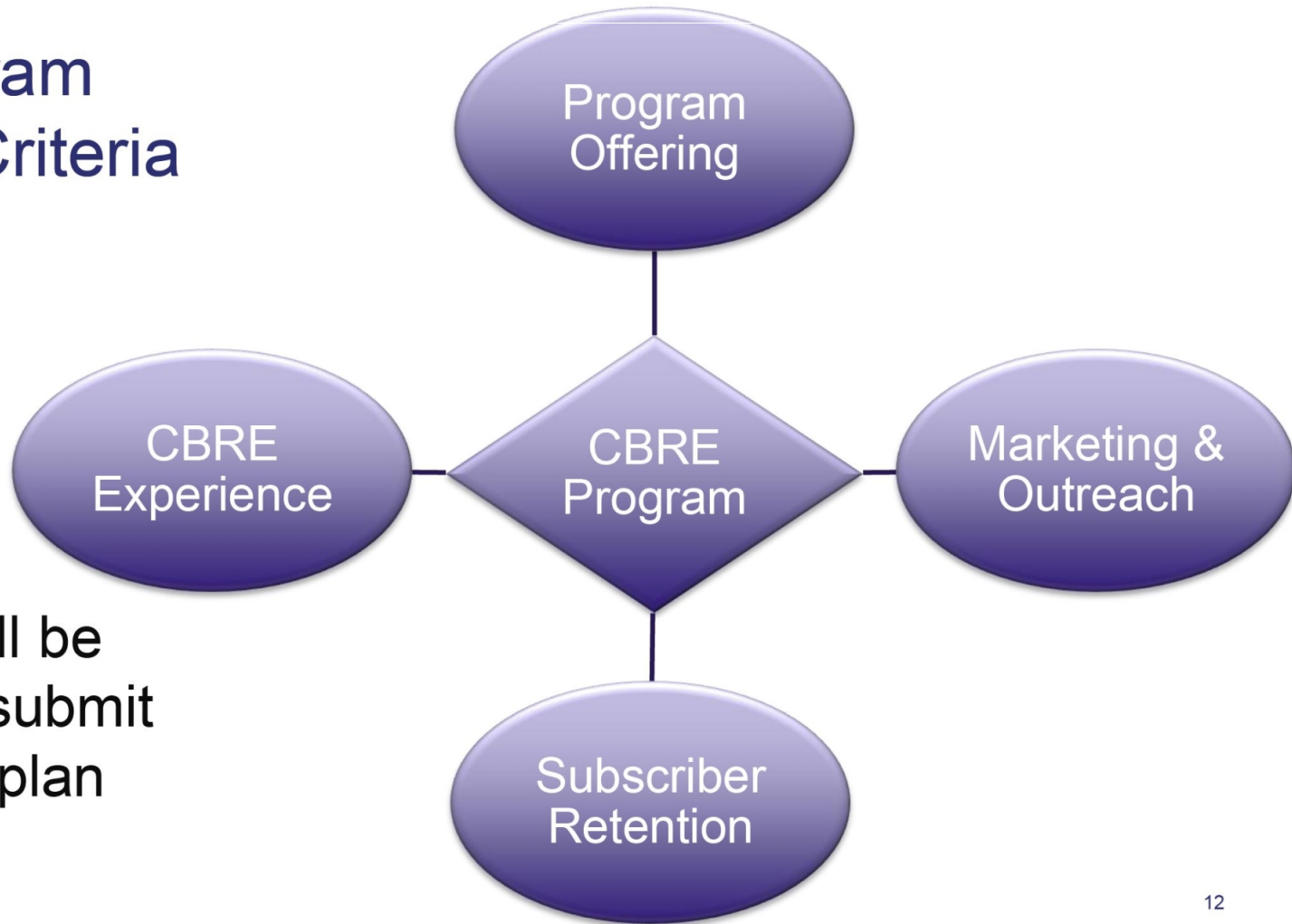
COMMUNITY RESILIENCE

Location,
Grid-forming,
Black start

Grid-forming,
Black start



CBRE Program Evaluation Criteria



- ◆ Proposer will be required to submit a proposed plan



Locational Value Criteria

Non-Wires Alternative (NWA) and Grid Services & Community Resilience

- ◆ Proposed Location
 - Grid needs: Refer to Grid Needs Assessment
 - NWA
 - Community resilience
- ◆ Grid-forming and black start capability required for projects to support community resilience



Grid Needs Assessment and Solution Evaluation Methodology

- ◆ Grid Needs Assessment
 - Define the grid services
 - Identify grid service needs
 - Provide grid services value for bidders to structure their proposals
- ◆ Price and Detailed Evaluation
 - Potential benefit of the grid services
 - Expected ability of proposal to provide a service and the service value
 - Determine combined value of project portfolios



Contracts

- ◆ PV and Wind Model PPAs
 - Mid-Tier RDG PPA: 250 kW - 2.5MW (Maui and Hawai'i islands), or 250 kW - 5MW (O'ahu)
 - Large RDG PPA: Greater than 2.5MW (Maui and Hawai'i islands), or 5MW (O'ahu)
- ◆ No Commission review for projects using Mid-Tier RDG PPA



Procurement Timeline

Milestone	Schedule Dates
Draft RFP filed*	July 9, 2020
Technical Status Conference	July 29, 2020
Parties and Participants file Comments by	August 12, 2020
Proposed Final RFP filed	September 8, 2020
Final RFP is Issued	October 20, 2020
IPP and Affiliate Proposal Due Date	December 22, 2020
Selection of Priority List	March 5, 2021
BAFOs Due	March 12, 2021
Selection of Final Award Group	June 25, 2021
Contract Negotiations Start	July 6, 2021



*Maui LMI Draft RFP submitted as a representative of Maui, O'ahu and Hawai'i LMI RFPs.



Mahalo for your time.

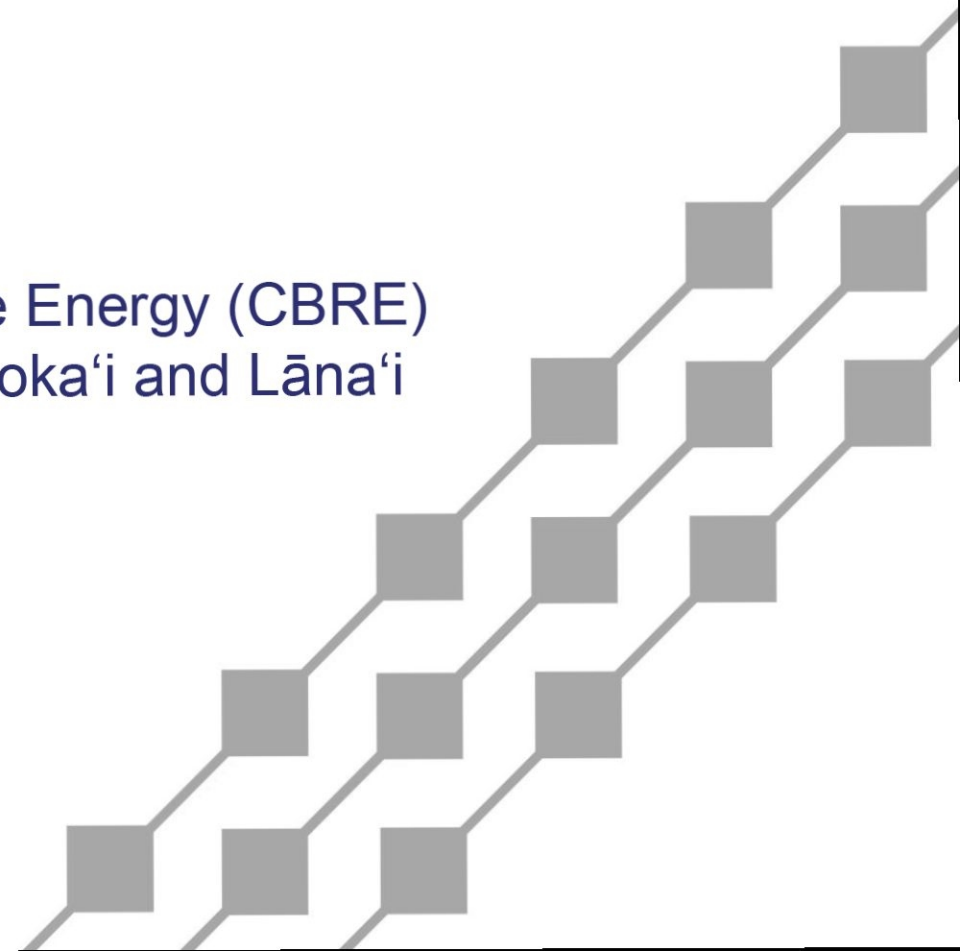
Any questions?



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Community Based Renewable Energy (CBRE) Request for Proposals for Molokaʻi and Lānaʻi

Docket No. 2015-0389
Technical Status Conference
July 29, 2020



Agenda

- ◆ Order No. 37070 Molokaʻi and Lānaʻi RFP Guidance
- ◆ Draft Lānaʻi CBRE RFP
- ◆ Molokaʻi and Lānaʻi RFP Requirements
- ◆ Contracts
- ◆ Procurement Timeline
- ◆ Questions



Order No. 37070 Molokaʻi and Lānaʻi Guidance

Molokaʻi and Lānaʻi specifically identified in Order No. 37070

- ◆ Special conditions due to the smaller size of the markets and electric grids
- ◆ Use RDG PPA model
- ◆ Encourage evaluation criteria to promote grid services, locational benefits, reliability, and resilience benefits
- ◆ Consider residential participation and LMI participation in non-price evaluation criteria



Draft Lānaʻi CBRE RFP

Combines the previously issued Variable Renewable Dispatchable Generation Paired with Energy Storage RFP and the CBRE RFP

- ◆ One project
- ◆ Reduces concurrent procurements for the Lānaʻi community
- ◆ Innovative approach in response to the Commission's COVID-19 Emergency Order
- ◆ Offers predetermined site
- ◆ Updated Assumptions
- ◆ Accelerate achieving 100% RPS



Molokaʻi and Lānaʻi RFP Requirements

	Molokaʻi	Lānaʻi
Variable Renewable Dispatchable Generation Target	Up to 2.75 MW (each project must be 250 kW or larger)*	17.5 MW (35,800 MWh annually)
CBRE Participation	Entire 2.75 MW will be reserved for CBRE	3 MW will be reserved for CBRE
Technology	PV + Storage	PV + Storage
Energy Storage requirement	Minimum of 4 continuous hours	17.5 MW for 4 continuous hours

*Seeking feedback from Molokaʻi community if capacity should be reserved for small projects.



Molokaʻi and Lānaʻi RFP Requirements

	Molokaʻi	Lānaʻi
Guaranteed Commercial Operation Date	12/31/2025	12/31/2024
Available Sites	Land RFI or Developer's option	Pūlama Lānaʻi-owned site
Interconnection	12 kV and below (3MW or below)	Miki Basin switchyard
Grid Services	Grid-forming and black start required for Projects larger than 1 MW	Grid-forming and black start required



Moloka'i and Lāna'i RFP Requirements

	Moloka'i	Lāna'i
Proposal Variations	Up to 2 allowed	1 proposal only
Proposal Fee	\$2,000	\$5,000
Community Outreach	Virtual meetings held on July 16 and July 22	
Self-Build Options and Affiliate Participation	Allowed	



Summary of Changes to Evaluation Process



NON-PRICE & PRICE WEIGHT



RESIDENTIAL PARTICIPATION



CBRE PROGRAM



COMMUNITY RESILIENCE

CBRE
RFPs

49/51 Split

40%
Residential

LMI Focus

Location &
Grid Services

Stage 2
RFPs

40/60 Split

N/A

N/A

Grid Forming,
Black Start



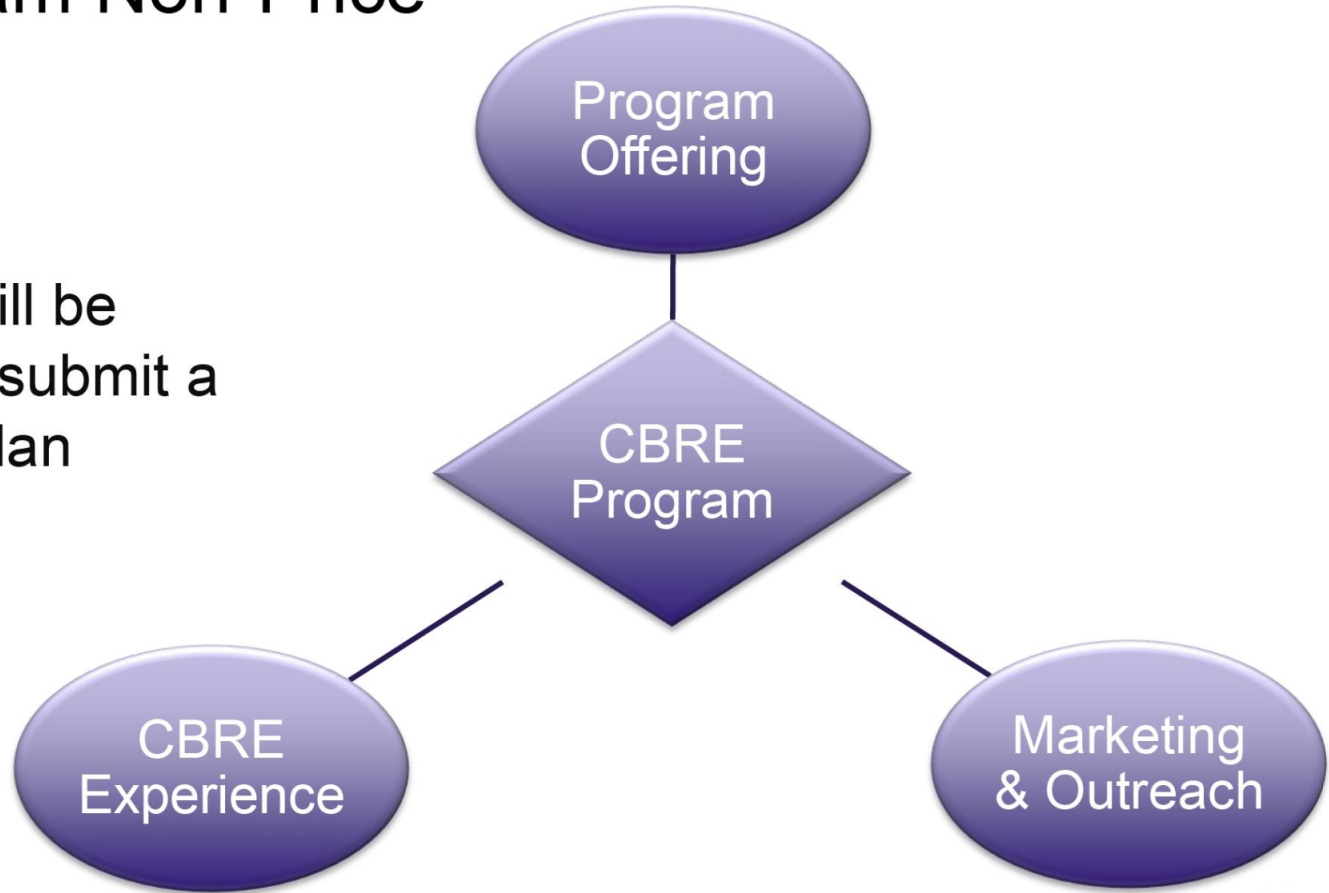
Residential Participation Non-Price Criteria

- ◆ Proposers must reserve a minimum 40% of its capacity for residential Subscribers
 - For Lānaʻi, 40% of the 3 MW CBRE portion must be reserved
- ◆ Projects will be evaluated on their commitment to residential subscriber participation including:
 - Commitment to a larger residential Subscriber portion
 - Reserved capacity for LMI customers



CBRE Program Non-Price Criteria

- ◆ Proposer will be required to submit a proposed plan



Locational Value for Community Resilience Criteria

Moloka'i

Proposals will be evaluated on:

- ◆ Proposed Location:
 - Community resilience
- ◆ Grid-forming and black start capability
- ◆ This criteria is double weighted

Lāna'i

Proposals will not be evaluated for this criteria.

- ◆ Predetermined site
- ◆ Grid-forming and black start capacities required



Grid Needs Assessment and Solution Evaluation Methodology (Moloka'i only)

- ◆ Price and Detailed Evaluation
 - Potential benefit of the grid services
 - Expected ability of the proposal to provide a service and the service value.
 - Determine combined value of project portfolios



Contracts

Molokaʻi

- ◆ Model PV Mid-Tier RDG PPA
 - 250 kW to 2.5 MW
 - PUC Approval not required
- ◆ Model PV Large RDG PPA
 - Greater than 2.5 MW
 - PUC Approval required

Lānaʻi

- ◆ Lānaʻi RDG PPA
 - PV + Storage only
 - PUC Approval required



Procurement Timeline

Milestone	Molokaʻi	Lānaʻi
Draft RFP filed	July 9, 2020	July 9, 2020
Technical Status Conference	July 29, 2020	July 29, 2020
Parties & Participants Comments	August 12, 2020	August 12, 2020
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Mahalo for your time.

Any questions?

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